

# All Cuba Is Rolling in Wealth

By a Dearborn Independent Staff Correspondent

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**I**F A person who was in positive need of a product you sold insisted upon paying twice as much for that product as you asked, what would be your opinion of that person?

Your answer to the foregoing hypothetical question expresses exactly what Cuba thinks of the United States.

The sugar cane grinding season in Cuba began in December. It will continue until June. During that time, it is conservatively estimated at this writing, 4,446,429 tons of sugar will result from the 1919-20 Cuban sugar cane crop. The foregoing tonnage is nearly 500,000 more tons than the crop of the previous grinding, and it is not unlikely that several hundred thousand tons more will be extracted. Of whatever total there may be, it is virtually certain that the people of the United States will consume at least 4,000,000 tons.

The figures on tonnage have been obtained from the leading authorities on sugar cane growing in the island, and the amount of money exacted unnecessarily from the pockets of the people of the United States comes from one of Cuba's foremost banking figures.

The island of Cuba, from the hardest working native who labors in the fields to the owner of the greatest central, is enjoying a prosperity, a richness of income, that has never been had before.

The new opulence is reflected in all the things attendant upon increased income. Entertainments, the lavishness of which was never dreamed of in other years, are enlivening the winter social season in the capital and through the larger cities of the provinces. Motor cars whose cost totals huge sums are being imported and it is difficult for the dealers to keep up with the demand for the luxurious models of both American and European manufacture. Men whose holdings have netted them millions are raining upon their families the most costly gems; and homes of palatial proportions are under way or planned for.

The workers, not alone in the sugar industry itself, but in the tobacco fields and in shipping, the other great factors in Cuba's economic fabric, have, through strike or threat of strike, materially raised their incomes, although to the writer the mystery even of making the larger wage equal the prices asked for foodstuffs is greater than in the States.

The industrial unrest in Cuba the past year has been most disturbing and to it is assigned one reason for continued high prices of sugar and perhaps scarcity of the product. The belief is held by many

Cubans that a most serious menace to the peace and welfare of the country lies in the continued high food prices.

Labor, highly organized in spots, has taken a most disagreeable turn to radicalism of the Red variety. So far it has been possible to bargain with the men and firmness by the government in dealing with labor troubles such as the dock strike at Havana recently, has kept the situation in hand.

The 1919-20 Cuban sugar crop could have been taken over by the United States last summer at a price not to exceed seven cents. Indeed, it is practically certain that the entire crop could have been purchased for from six and one-half to six and three-quarters cents a pound by the Sugar Equalization Board had the offer of the Cuban planters to the Board during the summer been accepted.

At any rate, during the late summer the Cuban planters were most anxious to sell, and the banks of Cuba were just as anxious that they should sell. It was the bankers' counsel that a fair proposition for the handling of the entire crop be pushed by the Cuban planters, so that an average price with honest profit to all involved might be had.

## But the United States Did Not Buy

**T**HE only persons in the United States who are benefiting to any great extent are the cane growers of Louisiana who are obtaining eighteen cents a pound for their product.

As an illustration of what the trade itself feels about the situation, let me quote from a recent issue of "Facts About Sugar," a journal devoted to American sugar production, in which it is said, in a dispatch from their correspondent in this city:

"Sugar prices in Cuba continue in the interesting state of uncertainty which was their disquieting feature during the closing weeks of 1919. . . . The persistency of high levels is due mainly to the strong ideas entertained by Cuban holders, who apparently continue unanimous in the belief that if they remain out of the market, the market must come to them, and that they will eventually be able to sell approximately at their own prices.

"As a result of this belief they are making few offerings . . ."

This in brief reveals the contingency that may arise, the result of which would be a further great loss to the American consumer.

The prosperity that has come to Cuban sugar planters is the culmination of centuries of hardship in

**A** RESOLUTION having passed the Lower House of Congress to again investigate the Government's handling of the sugar problem gives added interest to the two articles printed herewith, the one by a staff writer of The Dearborn Independent who investigated the subject in Cuba, the other a statement by the President of the Sugar Equalization Board.

the greatest sugar-raising spot in the world. There is no bit of earth, with perhaps the sole exception of Java, and the latter produces under handicaps unknown in Cuba, so fitted for the growing of sugar cane as is Cuba, and despite the tremendous development that has gone on there, as evidenced by the ever-increasing tonnage, the limit of production is far from having been reached. Indeed, it has been estimated that during the coming years we may expect to see Cuba raising from five to ten times as much sugar, without injury to the land and with gratifying results to the planter.

Seemingly hand in hand with the prosperity of a people is noted increase in sugar consumption. Particularly is this true of the United States, the biggest single sugar-consuming nation in the world. And now, with prohibition having become an actuality, there can be no estimate placed on the increase that may be expected. Already we know that the demand for candy and soft drinks has risen so enormously as to have created temporarily, at least, a crisis in supply.

That more and more sugar will be eaten per capita may be assumed from the figures of other years. In the early fifties, in the United States, the family sugar consumption averaged two pounds a week. In the eighties this had risen to five pounds a week, and in 1900, to six pounds a week. Today the American family is eating nearly ten pounds a week.

As an evidence of the use of sugar in connection with the prosperity of a people the last available figures, pre-war statistics, show that the United States, with a per capita circulation of money of \$33.18 in 1914, had a per capita consumption annually of sugar of 84.29 pounds; in 1913, Germany, with a per capita circulation of money of \$19.29 used 45.13 pounds; Italy, with \$8.82, ate 11.68 pounds, and Serbia, with \$6.84, consumed 10.03 pounds. Australia, with \$47.18 per capita circulation of money, showed an annual per capita consumption of sugar of 100 pounds.

Again, confining ourselves to the increase in sugar

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## The Sugar Board and High Prices

By ARNOLD D. PRINCE

several reasons—first of all, much depended upon the ratification of the Treaty of Peace, as that had a bearing upon the Food Control Act. Secondly, there had been no pressure upon Congress at that time to continue sugar control, and there was much opposition to continuing exercise of the war power.

"The President had not reached a conclusion on the matter before he started on his Western trip (in behalf of the League of Nations) and before his return, the offer of the Cubans had been withdrawn.

"On September 23, the Board therefore notified refiners, who were in great embarrassment because of the uncertainty, to proceed to buy raw sugar as in pre-war times, and the first important step in government decontrol of sugar had been taken.

"Less than two weeks later the whole situation became the subject for Congressional inquiry. Telegrams began to pour into Washington complaining of sugar shortage in different parts of the United States, and the Board was summoned to present its views and make such suggestions as would help conditions.

"It is unnecessary to go into the details of this investigation. They are all a matter of record in the Senate. It is only necessary to say that after nearly three months—only December 20—the McNary Bill, authorizing the President to continue the United States Sugar Equalization Board during the year 1920, if in his judgment it was found wise, was enacted; and after obtaining the opinion of the directors of the Equalization Board on the measure, President Wilson signed the bill, issuing a statement at the same time to the effect that he did not deem it advisable to utilize the authority conferred upon him.

"The efforts of the Equalization Board have since been directed toward helping the industry to return from a period of government control to normal, pre-war conditions with as little disturbance as possible.

"As for continuing the control of sugar during 1920, the Board felt that this was the wise course to pursue when it could have purchased the Cuban crop at 6½ cents per pound.

"It could then have stabilized the price at 10½ to 11 cents throughout the country, as this price was agreeable to the beet producers. The small amount of sugar produced in Louisiana could have been purchased at 15 cents, sold at 10½ to 11 cents, and the difference absorbed by the Equalization Board.

"The delay in Washington, however, lost us the opportunity of an advantageous purchase of the Cuban

crop, and a return to normal then offered as good a solution to the problem as anything else."

Mr. Zabriskie added that the "price of sugar is high—too high in my opinion, all things considered," but that high prices had a way of "curing themselves under open competitive conditions."

Mr. Zabriskie said the advisability of forming a Sugar Commission was first pointed out by Mr. Hoover in June, 1917, when he appeared before the Senate Committee on Agriculture. He also told how the American Government came to purchase the Cuban crop of 1919.

At the time Mr. Hoover made his suggestion our sugar refiners were competing with the Allied Sugar Commission for the purchase of Cuban sugar. Mr. Hoover argued that if we would create a sugar commission to co-operate with the Allies and the Cuban producers, and take over the Cuban crop at a fixed price, considerable saving, of perhaps 20 to 25 per cent, would result for the American consumer.

"When the Food Control Act was passed, however," said Mr. Zabriskie, "it failed to give the Food Administration authority to purchase sugar, as had been done abroad—so that it was necessary to formulate other plans to cope with the situation. Accordingly a Sugar Division was set up within the Food Administration at Washington, the several branches of the industry were invited to co-operate, and by voluntary agreements with domestic sugar producers and refiners, a fairly equitable distribution at reasonable prices was effected. Too much, however, could not be expected of these separate voluntary agreements, and in June, 1918, it became apparent that if the war were to continue, a more perfect control of sugar was imperative in the interests of the American consumer, and nothing short of the absolute purchase of the Cuban crop could accomplish it. The question, therefore, was, 'Is the war likely to last?' No one in the Food Administration had any idea that control would extend after peace was assured, but in June did it look as though the war would end in November? That is why the President, acting upon the suggestion of Mr. Hoover, approved the formation of the Equalization Board, July, 1918, subscribed to the \$5,000,000 of its capital stock, on behalf of the United States, and authorized the purchase of the 1918-1919 crop of Cuban sugar, in order to insure a

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Cuba is enjoying the most prosperous period of its existence, the continually advancing price of sugar pouring a veritable rain of dollars upon her people—filling the hat of Liborio. Even the parrot (symbolic of the Isle of Pines) enjoys a part of the general prosperity.

**G**EORGE A. Zabriskie, President of the U. S. Sugar Equalization Board, said that in August, 1919, the Board suggested to President Wilson the wisdom of buying the Cuban sugar crop for 1920, but that the suggestion did not carry. Cuban sugar could then have been bought for 6½ cents a pound.

Here is Mr. Zabriskie's statement:

"Early in August when it looked as though serious problems in sugar would develop in 1920, the Board felt that it would be remiss in its duties if it did not present to the President of the United States a memorandum outlining the situation. This memorandum, with a letter which was sent on August 14, stated that the Board was in receipt of a letter from the Cuban Commission tendering to the United States Government the Cuban sugar crop for 1920. As the authority of the Board did not extend beyond the purchase and distribution of the 1919 crop, the control of this year's crop (1920) had to be determined.

"The memorandum recommended that negotiations be entered into for the purchase of the crop as a commercial proposition and entirely from the standpoint of what, in the opinion of the Board, was necessary to assure the people of the United States a regular supply of sugar at a reasonable price during 1920.

"The Board realized that its recommendation would be subject to the general policy of continuing food control, but also felt that its duty was clear in the premises. There was one dissenting director, and he was of the opinion that while business of this kind might be undertaken by the Government under stress of war, it should cease with peace.

"The President of the United States acknowledged receipt of this memorandum, but took no action for